



STATEMENT OF AT&T CONNECTICUT

**Regarding Raised Senate Bill No. 417
An Act Concerning Call Centers and the Timely Repair of Public Utility Poles
Before the Committee on Energy and Technology
March 9, 2010**

Proposal:

Section One of Raised Senate Bill No. 417 would allow anyone who calls or receives a call from a "telecommunications call center" to request the location of the employee with whom they are talking as well as request to speak with an employee within Connecticut when possible. Section Two would require some telecommunications companies to provide additional information on the location of their call centers in annual submissions to the DPUC. Section Three would require the Department of Information Technology to give preference to bidders wishing to provide telecommunications services to the state to those which have a high percentage of service calls directed to an in-state call center. Section Four would require the DPUC to adopt regulations to establish procedures for the timely repair of utility poles damaged by an accident.

Comments:

AT&T respectfully opposes Raised Senate Bill No. 417 and urges the committee to reject it.

Sections one through three of the raised bill appear intended to increase employment in Connecticut call centers. While an admirable goal, we believe the legislature would be better off considering positive incentives for the creation of this type of employment including tax and other incentives to defray the costs of locating such work in Connecticut. Labor costs are one of the largest costs associated with operating any call center and typically labor costs in Connecticut are higher than other areas of the country, which places Connecticut at a competitive disadvantage when it comes to locating a center.

Instead of providing incentives for the creation of jobs in Connecticut, this legislation would impose burdens and costs on a select few providers in the marketplace while not imposing such burdens and costs on competitors in the same market. Connecticut's regulatory playing field is already skewed in favor of certain providers to the detriment of others; the legislature ought not to increase the regulatory imbalance any further.

Today's economy is truly global in nature. That reality has both positive and negative aspects to it. Our state's economy has benefited from access to new markets across the globe and global exports are an integral part of our state's GDP. At the same time, work that can be done for less cost with the same or better quality elsewhere will undoubtedly be shifted to these other locations. This legislation seems to be trying to inoculate parts of Connecticut's economy from the impacts of globalization, while ignoring the very real benefits that Connecticut derives from globalization. Consider AT&T for example. While we have some call center work for some of our Connecticut customers located in states other than Connecticut, we also have hundreds of positions located in this state which provide services

to AT&T customers across the country. Even if the legislature could wave a "magic wand" and put the globalization "genie" back in the bottle, Connecticut would likely be a net loser were Connecticut employees only allowed to service Connecticut customers and likewise in other states. Access to diverse and larger markets is fundamentally good for our state's workers and our state's economy. The legislature and economic development officials should be finding ways to ensure that we benefit from globalization and attract capital and the jobs that go with it.

In seeking to give advantage to certain bidders for state services that have a significant portion of their call center work handled in Connecticut, Section Three, while again well intended, could unnecessarily increase cost to Connecticut taxpayers. As no doubt this committee is aware, Connecticut is facing budget deficits the likes of which have not been experienced for generations. State government needs to find the best way to provide services to its taxpayers in a cost efficient manner. To the extent this proposal hurts that goal, the committee ought to reject that approach.

Section Four of the Raised Bill is not necessary. Connecticut's utilities already have in place a system for the timely repair of utility poles damaged by accidents. This includes the coordination that is necessary between all of the parties located on a pole so that facilities are repaired in a timely and safe manner. There is no need for additional regulations in this regard.

Conclusion:

While AT&T appreciates the goals being advanced by this legislation, we strongly believe that the legislature would be better served creating incentives for job creation as opposed to the steps outlined in this proposal. We would welcome the opportunity to work with the committee in that regard but as currently drafted, we must respectfully oppose this legislation.